

Message Text

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ACTION NEA-10

INFO OCT-01 IO-13 ISO-00 CIAE-00 DODE-00 PM-04 H-01
INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02
SS-15 USIA-06 DHA-02 AID-05 OMB-01 TRSE-00 SSM-03
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-----261712Z 126612 /53

R 261416Z APR 77
FM AMEMBASSY TEL AVIV
TO SECSTATE WASHDC 5879
INFO AMEMBASSY AMMAN
AMEMBASSY BEIRUT
AMEMBASSY CAIRO
AMEMBASSY DAMASCUS
AMEMBASSY JIDDA
AMEMBASSY KUWAIT
AMEMBASSY ABU DHABI
AMEMBASSY DOHA
AMEMBASSY TUNIS
AMEMBASSY RABAT
AMEMBASSY TRIPOLI
AMEMBASSY ALGIERS
AMCONSUL JERUSALEM
USMISSION USUN NEW YORK

C O N F I D E N T I A L SECTION 1 OF 2 TEL AVIV 2922

E.O. 11652: GDS
TAGS: IS, XF, EG, PDEV, PFOR
SUBJECT: GAZA CITY MANAGER ON ARAB FINANCIAL SUPPORT, ETC

REF: TEL AVIV 2509 (NOTAL)

SUMMARY: GAZA CITY MANAGER SAYS THAT TOWNS IN THE OCCUPIED
TERRITORIES HAVE BEEN "TWEINNED" WITH VARIOUS ARAB CITIES
IN LONG-TERM ("AT LEAST FIVE YEARS") FINANCIAL ARRANGEMENTS.
ISRAELIS PURPORTEDLY MAY ACCEPT THAT ARAB MONEY CAN BE
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CONVERTED AT BLACK-MARKET RATE. GAZA MAYOR OUTLINES
TO SAUDIS MUNICIPAL PROJECTS COSTING EIGHTY-FOUR MILLION
DOLLARS. GAZA THREATENS TO WITHDRAW FROM ISRAELI
ELECTRICAL NETWORK OVER VAT. END SUMMARY

1. GAZA CITY MANAGER ISAM SHAWWA TOLD VISTING
DEPARTMENT OFFICER AND EMBOFFS APRIL 23 THAT MAYOR RASHAD

SHAWWA WAS PRESENTLY IN SAUDI ARABIA DISCUSSING FINANCIAL SUPPORT FOR THE MUNICIPALITY (SEE JIDDA 3000). WHEN MAYOR SHAWWA ARRIVED EARLIER IN ABU DHABI, SHEIKH ZAYED HAD EXPLAINED TO HIM THAT THE ARAB LEAGUE MINISTERS DECIDED TO ESTABLISH A "TWIN CITIES" ARRANGEMENT AS THE BASIS OF FINANCIAL SUPPORT FOR MUNICIPALITIES IN THE OCCUPIED TERRITORIES. THE ARAB LEAGUE HAD DISCUSSED CHANNELING MONEY THROUGH THE PLO, BUT AN UNSPECIFIED "WISE MAN" HAD CONVINCED THEM THAT THE ISRAELIS WOULD NEVER PERMIT IT. IN THE TWIN CITIES SET UP, GAZA AND HEBRON WOULD BOTH BE LINKED WITH RIYADH; BETHELEHM AND RAMALLAH WITH ABU DHABI; NABLUS AND TULKAREM WITH KUWAIT; AND JERUSALEM WITH MECCA ("MECCA WILL GIVE NOTHING TO TEDDY KOLLEK, OF COURSE, BUT WILL PROVIDE SUPPORT FOR THE HOLY SHRINES"). DESPITE GAZA'S BEING "TWINNED" WITH RIYADH, SHEIKH ZAYED HAD GIVEN THE MAYOR A CHECK FOR TWO MILLION DOLLARS AS "A SMALL OFFERING" OF SUPPORT.

2. ISAM SHAWWA SAID THAT THE ISRAELIS HAD ALREADY BEEN TOLD ABOUT THE TWO MILLION DOLLAR CHECK AND HAD NOT OBJECTED TO SHAWWA'S INSISTENCE ON DEPOSITING IT IN AN AMMAN BANK, THEREAFTER TO BE CONVERTED AT THE BLACK MARKET RATE FOR USE IN GAZA. SHAWWA WAS UNAWARE IF WEST BANK MUNICIPALITIES WOULD ACT LIKEWISE, BUT ASSUMED THAT THEY WOULD. HE ADDED THAT GAZA DIFFERED FROM THE WEST BANK IN THAT THE MILITARY GOVERNMENT HAD IMPOSED ON THE MAYOR A 20,000 ISRAELI POUNDS CEILING BEYOND WHICH HE COULD NOT SPEND WITHOUT PRIOR

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APPROVAL. NO SUCH CEILING HAD BEEN IMPOSED ON WEST BANK TOWNS. SHAWWA ATTRIBUTED THIS UNEQUAL SITUATION TO DIFFERING PRE-1967 PRACTICES BY THE EGYPTIANS AND THE JORDANIANS. MAYOR SHAWWA HAS RECENTLY REQUESTED THAT HIS CEILING BE RAISED TO 100,000 ISRAELI POUNDS.

3. SHAWWA SAID THAT THE MAYOR WAS TO LAY BEFORE THE SAUDIS A LIST OF MUNICIPAL PROJECTS, THE FUNDING OF WHICH WOULD AMOUNT TO A TOTAL OF 30 MILLION JORDANIAN DINARS (APPROXIMATELY 84 MILLION DOLLARS) OVER A FIVE YEAR PERIOD. SHAWWA MENTIONED THE FOLLOWING PROJECTS: A NEW WATER SYSTEM, TO INCLUDE PRESSURE LINES AND PUMPING STATIONS; A NEW SLAUGHTER HOUSE; A RAIN WATER DRAINAGE PROJECT; THE PURCHASE OF VEHICLES AND MACHINERY; EXTENSIVE PAVING OF STREETS AND SIDEWALKS; A NEW MUNICIPAL CEMETERY; A GARBAGE SEPARATION UNIT; CONSTRUCTION OF 2,000 APARTMENTS; CONSTRUCTION OF A NEW CENTRAL MARKET; VOCATIONAL TRAINING SCHOOLS; CONSTRUCTION OF A STADIUM; AND ESTABLISHMENT OF A NEW

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C O N F I D E N T I A L SECTION 2 OF 2 TEL AVIV 2922

E.O. 11652: GDS

ELECTRICAL NETWORK. SHAWWA SAID THAT THE ISRAELIS
HAD BEEN GIVEN A COPY OF THE LIST OF PROJECTS AND
WERE IN FACT EAGER THAT THE ARABS PROVIDE MONEY FOR
THEM. "THEY ARE SO IMPATIENT THAT THEY KEEP ASKING
US IF THE MONEY HAS COME YET," SHAWWA SAID.

4. EXPANDING ON THE SUBJECT OF THE ELECTRICAL NETWORK,
SHAWWA SAID THAT THE MUNICIPALITY HAD RECEIVED A LETTER
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RECENTLY FROM THE ISRAELIS SAYING THAT THE CITY'S ELECTRICAL POWER IS TO BE CUT OFF MAY 2 UNLESS IT AGREES TO PAY 400,000 ISRAELI POUNDS OWED AS A RESULT OF THE EIGHT PERCENT VALUE ADDED TAX. THE RESPONSE OF THE MUNICIPAL COUNCIL TO THIS DEMAND HAD BEEN THAT GAZA WOULD NOT AND COULD NOT PAY THE VAT AND WOULD, IF NECESSARY, USE ITS OWN GENERATORS TO PROVIDE ENOUGH POWER FOR LIGHTING THE STREETS AND OPERATING THE SEWER AND WATER SYSTEMS. "THERE MAY NOT BE POWER FOR PRIVATE HOMES," SHAWWA SAID, "BUT WE LIVED WITHOUT IT FOR YEARS AND WE CAN DO WITHOUT TELEVISION." HE SAID THAT HEBRON'S ELECTRICITY WAS DUE TO BE CUT SEVERAL DAYS AHEAD OF GAZA'S FOR THE SAME REASONS, AND IMPLIED THAT IT WOULD SERVE THE SHAWWAS AS A TEST CASE OF ISRAELI INTENTIONS.

5. REFERRING TO GAZA'S BUDGET REQUEST FOR 86 MILLION ISRAELI POUNDS FOR MUNICIPAL DEVELOPMENT WHICH WAS FORWARDED TO THE MILITARY GOVERNMENT, SHAWWA SAID THAT THE ISRAELIS HAVE AGREED TO PROVIDE 36 MILLION POUNDS, OF WHICH 16 MILLION IS TO BE GRANT-IN-AID AND 20 MILLION LOAN. (THE COMPARABLE TOTAL LAST YEAR WAS 3 MILLION POUNDS.)

6. REFERRING TO THE LIKELIHOOD OF THE IMPOSITION SOON ON GAZANS BY THE ISRAELIS OF WATER-USAGE STANDARDS, SHAWWA SAID THAT THE ISRAELIS ARE INSISTING ON A CEILING OF 1,000 CUBIC METERS PER DUNAM, AND ANY EXCESS BEYOND THIS LEVEL WOULD BE AT A SURCHARGE OF THREE ISRAELI POUNDS PER CUBIC METER. ACCORDING TO SHAWWA, ONE THOUSAND "CUBES" IS NOT ENOUGH IN THE CASE OF PARTIALLY SALINE WATER (LIKE GAZA'S) WHICH PREVENTS THE USE OF SPRINKLER SYSTEMS. TRADITIONAL METHODS OF IRRIGATION REQUIRE 1,500 CUBES PER DUNAM FOR A CLAY SOIL AND 2,000 CUBES FOR SANDY SOIL. IN DISCUSSIONS, THE ISRAELIS HAVE SHOWN A LITTLE FLEXIBILITY BY AGREEING TO A TWO MONTH TRIAL PERIOD, BUT SHAWWA

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BELIEVED THAT THE NEW STANDARDS WOULD EVENTUALLY BE IMPOSED BY THEM. "THE ISRAELIS DON'T TRY TO CONVINCE OUR PEOPLE OF WHAT MAY BE NECESSARY; THEY HAVE NO FEELING FOR PUBLIC RELATIONS WITH THE ARABS."

7. COMMENT: SHAWWA QAS QUIETLY ELATED AT SHEIKH ZAYED'S GENEROSITY, AND HOPES THAT THE SAUDIS WILL BE FORTHCOMING. ANY MONEY AT ALL WILL BE GRATEFULLY RECEIVED; FOR THE SHAWWAS, EQUALLY WELCOME WILL BE THE POLITICAL REFURBISHING IT EXHIBITS FOR ALL

ARABS TO SEE.

8. THE JERUSALEM POST REPORTED APRIL 25 THAT THE ISRAEL ELECTRIC CORPORATION HAD BEEN REQUESTED BY A MILITARY GOVERNMENT OFFICIAL TO GIVE GAZA A "GRACE PERIOD" TO PAY ITS VAT DUES. WE THINK THIS NOT UNLIKELY, FOR MAYOR SHAWWA TOLD US SEVERAL MONTHS AGO THAT THE MILITARY GOVERNOR HAD TACITLY ACCEPTED GAZA'S REFUSAL TO PAY. THE POST QUOTED AN ELECTRIC COMPANY OFFICIAL AS SAYING THAT PRESSURE ON THE GAZA DUES WAS COMING FROM TREASURY OFFICIALS, "SINCE TULKAREM HAS AGREED TO PAY."

9. IF THE ISRAELIS ARE INDEED ASKING WHETHER ARAB FUNDS FOR GAZA HAVE YET MATERIALIZED, THEY COULD JUST AS WELL BE "SKEPTICAL" AS "IMPATIENT."
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Message Attributes

Automatic Decaptioning: X
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Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
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Disposition Approved on Date:
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Disposition Date: 22 May 2009
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